JAMES MEZA III General Counsel - Florida

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September 15, 2006

Honorable Lisa Polak Edgar Chairman, Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850

Re: <u>Docket No. 060598-TL</u>

Dear Chairman Edgar:

BellSouth Telecommunications, Inc. ("BellSouth") submits this response to the September 5, 2006 letter filed by the Office of Public Counsel ("OPC") on September 7, 2006 in the above-referenced docket. As an initial matter, BellSouth appreciates OPC's acknowledgement that BellSouth's Petition to Recover 2005 Tropical System Related Costs and Expenses ("Petition") appears to comply with Section 364.051(4), Florida Statutes. This statement is not surprising given that the methodology used by BellSouth to calculate the amount of expenses it is entitled to collect under the law is consistent with the methodology that OPC has advocated in other storm-recovery proceedings. BellSouth also reminds OPC and the Florida Public Service Commission ("Commission") that, as a result of the 2005 tropical storms and hurricanes that impacted BellSouth's service area ("2005 Storms"), BellSouth experienced approximately \$202.4 million in total storm-related expenses and over \$95 million in intrastate, incremental storm-related expenses. Nevertheless, the total amount BellSouth can actually recover under the law for all of the damages it sustained as a result of the 2005 Storms is less than 20 percent of the total expenses sustained by BellSouth.

BellSouth respectfully opposes OPC's suggestion that the Commission request BellSouth to extend the time period to resolve the Petition. Section 364.051(4), Florida Statutes requires the Commission to act upon the Petition within 120 days, and BellSouth is not in a position and expressly declines to waive this mandated time period. Further, even if this 120 day time period was discretionary, which it is not, BellSouth questions OPC's suggestion that additional time is needed given that (1) BellSouth followed OPC's methodology and prior Commission decisions in calculating the amount of costs and expenses it is allowed to recover under the law; and (2) BellSouth filed its direct testimony with the Petition to expedite OPC's and the Commission's analysis.

Finally, as to OPC's request for customer hearings, BellSouth notes that customer hearings are not expressly required under Section 364.051(4), Florida Statutes and that the OPC did not request customer hearings in Embarq's cost-recovery proceeding (Docket No. 050374-TL) or GT Com's cost-recover proceeding (Docket No. 060300-TL). Nevertheless, if the Commission is inclined to hold customer hearings, BellSouth does not object to hearings taking place within the 120 day time period in all areas that were impacted by the 2005 Storms -- Monroe County, Dade County, Broward County, Palm Beach County, and the Pensacola area.

Sincerely

James Meza III

JM/vf

cc: All parties of record

648409

CERTIFICATE OF SERVICE Docket No. 060598-TL

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via

Hand Delivery this 15th day of September, 2006 to the following:

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